GOVERNMENT COMMERCIAL CREDIT CARD PROGRAM

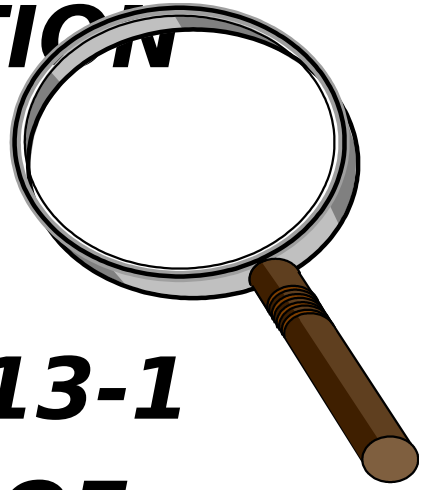
CONTRACTING DIVISION
USPFO FOR NEW MEXICO

GCCCP PROGRAM

- A COMMERCIAL CREDIT CARD PROGRAM INTENDED TO STREAMLINE PROCUREMENT, PAYMENT PROCEDURES AND REDUCE ADMINISTRATIVE BURDEN (COST, PAPERWORK, & LEAD-TIME) ASSOCIATED WITH TRADITIONAL PURCHASING METHODS FOR SUPPLIES & SERVICES UNDER THE MICRO PURCHASE THRESHOLD.

OVERVIEW

- ***SIMPLIFIED ACQUISITION PROCEDURES***
- ***GCCCP PROGRAM***
- ***USPFO-NM PAM 715-13-1***
- ***ETHICS, STANDARDS OF CONDUCT, PROCUREMENT INTEGRITY & FISCAL LAW***
- ***ACCOUNT SET-UP***



Introduction

- ***VISA International Merchant Purchase Authorization Card (I.M.P.A.C.)***
- ***Government-wide Commercial Credit Card Program established by the General Services Administration (GSA)***
- ***Contract awarded to US Bank Bankcard System (USBANK)***

Objectives

- *Overview of Purchasing & Contracting*
- *Know Uses and Limitations of the Credit Card*
- *Complete card applications*
- *Issue Cards*

Contracting Chain of Command

- *Head of Contracting Activity* *LtGen Davis, CNGB*
- *Principal Assistant Responsible for Contracting* *Dr Tom Kennedy*
- *USPFO for New Mexico* *Colonel James Morgan*
- *Chief of Contracting Division* *Major Lou Zolofra*
- *Subordinate Contracting Officers* *MSG Diana Duran*
- *Other Procurement Officials* *(cardholders)*

Areas of Training

- *Finance*
- *Program Implementation*
- *Cardholder Set-up*
- *SOP Familiarization*
- *Procurement Ethics Training*
- *Disputes*
- *Other program related functions*
- *Commercial credit card regulations*

PROCUREMENT AUTHORITY

- *I. Federal Acquisition Regulation (FAR) - Part 13*
- *II. Defense FAR Supplement (DFARS) - Part 13*
- *III. Army FAR Supplement (AFARS) - Part 13*
- *IV. AFARS Acquisition Letter 94-9 dtd 31 Oct 94*

Procurement Authority (Cont'd)

- *V. Federal Acquisition Streamlining Act (FASA) of 1994, P. L. 103-355*
- *VI. Executive Order 12931 "Federal Procurement Reform"*
- *VII. National Guard Federal Acquisition Regulation Supplement (NGFARS) - Part 13*

Procurement Authority (Cont'd)

- *VIII. Contracting Policy Letter (CPL) 92-1 dtd 4 May 92, "Government-wide Credit Card Program"*
- *IX. USPFO-NM Credit Card SOP*
- *X. Program Manager's Policy*

Objectives of AFARS 13.90

- *Supplement and simplify established small purchase procedures*
- *Minimize and reduce administrative costs*
- *Reduce procurement lead-time*

Acquisition Letter 94-9 dtd 31 Oct 94 implements FASA and Executive Order 12931

- *“You are encouraged to expand the use of the credit card, and take maximum advantage of the current law, by delegating micropurchase authority, to the maximum extent practicable, to the offices that will be using the supplies or services to be purchased.”*

AFARS 13.90 establishes the single purchase limitation for use of credit cards.

- *"Cardholders **shall not** exceed the single purchase limitation of $2,500.00. A single purchase transaction may include multiple items but the total amount of the single purchase transaction (to include transportation costs) cannot exceed the purchase limitation of $2,500.00."*

Summary - The Micropurchase Concept

- *"Micropurchases" can be made without obtaining competitive quotations provided purchase price is reasonable.*
- *"Micropurchases" shall be distributed equitably among qualified suppliers*
- *"Micropurchase" procedures have been implemented in the Federal Acquisition Regulation.*

Federal Use Only

- *The VISA IMPAC Credit Card cannot be used to repair or purchase supplies for State-owned property, equipment, or facilities.*

Definition - Cardholder

- *The individual to whom a card is issued. The card bears the individual's name and may only be used by the individual to make authorized purchases for the US Government.*

Definition - Billing Official

- *The cardholders immediate supervisor (or higher). The BO will review the cardholders monthly purchases. The BO will act as liaison with the APC and Program Managers.*

Definition - Agency Program Coordinator

- *The APC is responsible for coordination of applications, disposition of cards, establishment of reports, and training. He (or his representative) is liaison between the USPFO, USBANK, and the GSA contracting officer. Our APC is Cpt Zolofra.*

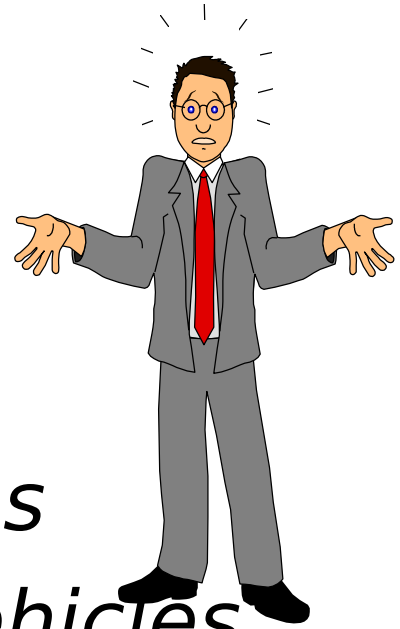
Conditions For Use

- *Only authorized cardholder can use*
- *Must be used for US Government purchases only*
- *Purchases must be authorized and funds must be available before a purchase is made*
- *Single purchase limit includes transportation cost and any applicable handling charges*

Conditions For Use (Cont'd)

- *Single purchase may consist of multiple items*
- *Orders may not be split to avoid single purchase limit*
- *Exempt from State and local taxes*

Examples of Restricted Purchases



- *Cash advances*
  - *Money Orders*
- *Rental or lease of land*
- *Telecommunication services*
- *Rental or lease of motor vehicles*
- *TDY reimbursable expenses*
- *Printing or copying services*
- *Personal clothing or footwear*

Examples of Authorized Purchases

- *Repair of typewriters*
- *Purchase of subsistence*
- *Purchase of office supplies*
- *Commercial repair parts*

Cardholder Responsibility

- *The credit card has the **cardholder's name embossed upon it** and may only be used by that individual.*
- *The credit card must **not be used for personal purchases.***
- ***Lack of knowledge is not an excuse**; the individual remains accountable.*
- *Card/account number **security is important!***

Unauthorized Use

- *The Government will not be liable for any unauthorized use of the credit card. Unauthorized use means the use of a credit card by any person, including the cardholder, who does not have actual, implied or apparent authority for such use and from which the Government received no benefit.*

Unauthorized Purchases

- *Anyone who makes unauthorized purchases or carelessly uses the card may be **liable to the Government** for the total dollar amount of unauthorized purchases.*
- *He/she may also be subject to additional **disciplinary action**.*

What the VISA I.M.P.A.C. Credit Card Program is NOT:

- *A Buy Anything and Everything method of small purchase*
- *A Means to Circumvent established small purchase procedures*
- *A Method to By-Pass the Supply System, Contracting, or Required sources of supply*
- *A Status Symbol*
- *A Cure All to catch up on a backlog of purchase orders*

Ethics Defined

- *The principles of conduct governing an individual or a profession*
- *Character or the ideals of character manifested by a race or people*

Ethics = Trust

TRUST IS:

-- Fragile

-- Grows at a painfully small pace

-- Can be destroyed in an instant

WHEREAS, MISTRUST:

-- Always exists

-- Will erode the effectiveness of an organization

Nature

- *It is individual behavior that makes organizations ethical or unethical*
- *There are sufficient identifiable sound ethics for conduct that can serve as standards*
- *There is no common agreement*
- *People tend to perceive things differently depending on their value system and, in some cases, their background.*

Ethics in Government

The Office of Government Ethics (OGE)

A. Responsibility:

1. Develop comprehensive:

- Rules

- Regulations

- Procedures

2. Resolve conflicts of interest

3. Provide advisory opinions

Ethics in Government (Cont'd)

The Office of Government Ethics (OGE)

B. OGE Authority:

- Conduct investigations

- Determine violations

- Order specific action

Conflicts of Interest

- *Definition: Improper official conduct from which the government official may personally benefit, directly or indirectly.*
- *Conflict results where the direct or indirect benefit to the government official is inconsistent with the interests of the United States.*

Joint Ethics Regulation - General Provisions

- *Public service is a public trust, requiring employees to place loyalty to the constitution, the laws and ethical principles above private gain.*
- *Employees shall not hold financial interests that conflict with the conscientious performance of duty.*
- *Employees shall not use public office for private gain.*

Joint Ethics Regulation *(Cont'd)*

- *Employees shall not engage in financial transactions using nonpublic government information or allow the improper use of such information to further any private interest.*
- *Employees shall put forth honest effort in the performance of their duties.*

Joint Ethics Regulation *(Cont'd)*

- *An employee shall not solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.*

Joint Ethics Regulation *(Cont'd)*

- *Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the government.*
- *Employees shall protect and conserve federal property and shall not use it for other than authorized activities.*

Joint Ethics Regulation *(Cont'd)*

- *Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official government duties and responsibilities.*

Joint Ethics Regulation *(Cont'd)*

- *Employees shall act impartially and not give preferential treatment to any private organization or individual.*
- *Employee shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those -- such as Federal, State, or Local taxes -- that are imposed by law.*

Joint Ethics Regulation (Cont'd)

- *Employees shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or handicap.*
- *Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.*

Joint Ethics Regulation (Cont'd)

- *Employees shall endeavor to avoid any actions creating the* ***appearance*** *that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.*

Ethics - Final Analysis

- *Individual behavior makes organizations ethical or unethical*
- *Organizations can bring out the best in people by:*
  - *-- clearly stating expected ethical standards*
  - *-- enforcing standards*
  - *-- rewarding ethical conduct*
  - *-- punishing unethical behavior*

Final Analysis:

From time to time you must examine your personal values.

Then--Question how much and what you will sacrifice for the organization

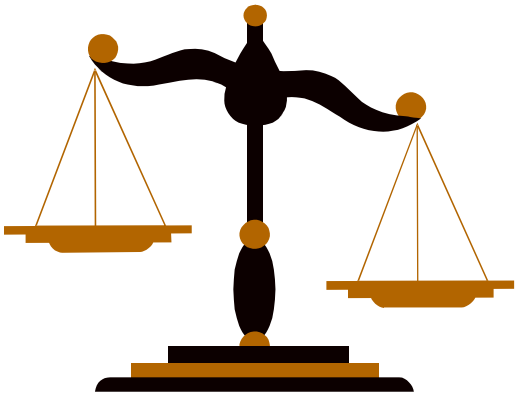
TRUST ONCE LOST IS HARD TO GET BACK.

Final Thought

"Everyone of you should aim for the high mark he (General George C. Marshall) set. You must. For upon no other institution does America depend more for values and integrity than the one you are about to inherit, the Armed Forces of the United States."

General Colin L. Powell, USA, Chairman, Joint Chiefs of Staff, 14 April 1993

ETHICS



There is no right way
to do a wrong thing

How Does the VISA I.M.P.A.C. Credit Card Program Work?

- *1. Cardholder selects merchandise and presents IMPAC card for payment*
- *2. Merchant totals merchandise, fills out credit card sales slip, and requests authorization approval from USBANK through the VISA electronic network*
- *3. USBANK verifies cardholder account, spending limits, merchant category code, and activity type code(s).*

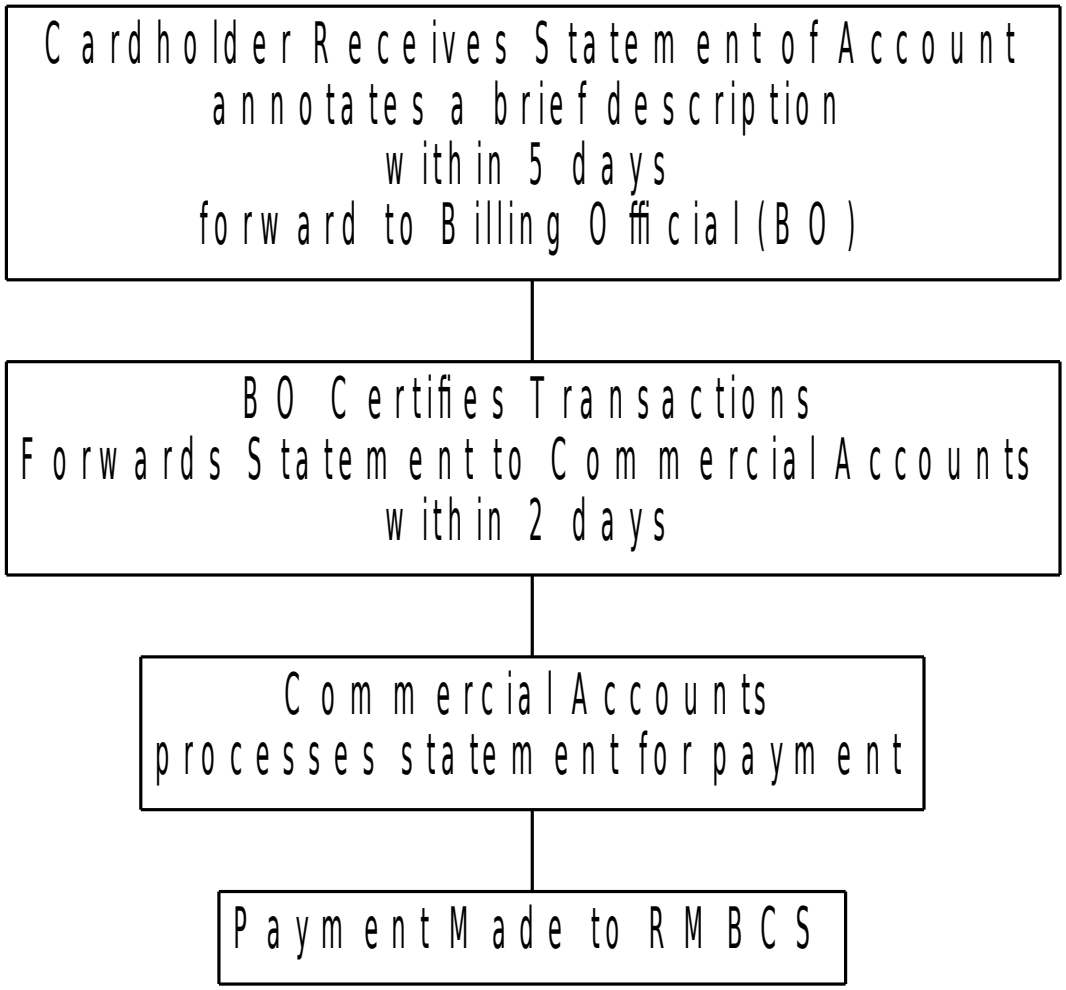
How Does the Program Work? (Cont'd)

- *4. USBANK relays authorization approval code to merchant*
- *5. Cardholder checks quantity, cost, and sales total. Signs credit card receipt.*
- *6. Merchant deposits credit card receipt at bank and receives immediate payment.*

How Does the Program Work? (Cont'd)

- *7. USBANK processes and posts transaction to cardholder account statement*
- *8. USBANK processes and forwards billing statements to* each *Billing Official*

Account Settlement Process



Account Set-up

- *USBANK requires specific information on each cardholder to activate accounts*
- *Information includes:*
  - *Maximum $ amount for each single purchase*
  - *Maximum $ amount for each monthly (30 day) billing cycle*
  - *Merchandise and Merchant categories*

Account Set-Up (Cont'd)

- *USBANK will assign **merchant activity type code** based on Standard Industrial Classification (SIC) code*
- *Cardholder must use approved activity type code merchant when placing an order*

Receipt of Credit Card By Cardholder

- *Sign credit card immediately*
- *Call the toll free number to acknowledge receipt and to activate the account*
- *The cardholder must be prepared to answer the following questions:*

Receipt of Credit Card (Cont'd)

- *- His/her address and phone number*
- *- His/her single purchase limit*
- *- His/her 30-day purchase limit*
- *- Merchant activity-type restrictions*

Security

- *The Cardholder and the Billing Official must exercise necessary caution to protect the cards and the account numbers at all times.*

Lost or Stolen Card Procedures

- *It is the cardholder's responsibility to safeguard the credit card at all times.*
- *In the event of a lost or stolen card, immediately*

  Notify :
  - *USBank*
  - *local law enforcement*
  - *your Billing Official*

Cardholder Status Changes

- *Changes to the cardholder's name, address or organization should be reported through the Billing Official to the APC.*

Questioned Items

- *If an item has been returned, verify that the credit appears on the monthly billing, attach a copy of the credit voucher then process. Call the vendor if the credit has not appeared by the next billing.*

Questioned Items (Cont'd)

- *If an incorrect amount is billed on the monthly statement, a cardholder Immediately (1) seeks to resolve the problem with the vendor and (2) completes a Statement of Questioned Item form (supplied by USBANK). The form will be mailed to USBANK and a copy processed with the monthly billing.*

Unresolved Disputed Charges

- *When attempts to resolve a problem fail, the cardholder is required to notify the APC, in writing, within 45 days of receipt of the billing. Include a copy of all documents pertaining to the dispute.*

Statement of Account (Cardholder)

- *Mailed monthly to individual cardholder*
- *Cardholder dates, verifies, applies funding codes, signs each page and mails to the Billing Official within 5 calendar days*

Cardholder's Review

- *Statement should list all items processed during previous 30 days*
- *Cardholder records date statement received, completes brief description of each item, identifies any errors on bill, and enters accounting codes*

Cardholder's Review (*Cont'd)*

- *Disputed items are noted on the statement*
- *Cardholder signs each page of the statement and forwards to his/her Billing Official within 5 calendar days*

Summary Statement (Billing Official)

- *Consolidated Statement of all cardholder's purchases mailed monthly to the Billing Official (BO)*
- *BO reviews the cardholders Statements, reconciles them with the Summary Billing Statement, signs each page of both statements and forwards Billing Statement to Commercial Accounts within 2 calendar days*

Billing Official's Review

- *Ensures receipt of all statements from cardholders*
- *Reviews purchases for compliance with regulations*
- *Resolves any questions on purchases with cardholders*
- *Reviews vendors utilized*

Billing Official's Review *(Cont'd)*

- *Verify that purchases were for OFFICIAL USE ONLY*
- *Disapprove unauthorized purchases. Require return of purchased item and a credit voucher be issued - or - reimbursement to the Government by the cardholder for unauthorized purchase*

Billing Official's Review *(Con't)*

- *Responsible for immediate resolution of questioned items*
- *Verification of account codes*
- *Signature by BO constitutes approval for payment*

Consolidated Billing Account Statement

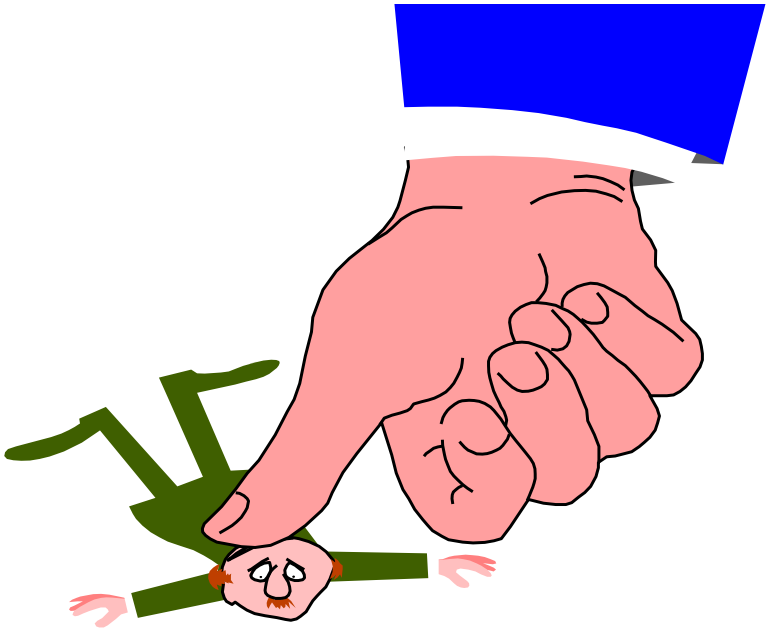
(Billing Official)

- *Covers purchases made by all cardholders under each Billing Official. Mailed to each BO for approval*
- *The Guard will receive $ for timely payments*
- *The Guard will pay $ for late payments*

Prompt Payment Act

- *Agencies (DoD) must process payment within 30 days*
- *Interest begins to accrue in 31 days*
- *Interest is automatically included after 30th day*
- *Disputed purchases must be resolved in a timely manner to ensure interest is not paid*

SHOW CARDHOLDER TRAINING VIDEO



Mobilization

- *Federal*

Card use may proceed as normal. The APC will coordinate with the Program Fund manager and Mob Station concerning Funding Authorization. Guidance to be published.

- *State*

Guidance for use during State Mobilizations to be published.

USPFO-NM PAM 715-13-1 CHAPTER 1

- CARD ISSUANCE & ACTIVATION
- SAFEGUARDING THE CARD
- LOST, STOLEN, OR COMPROMISED
- SEPARATION OR TRANSFER OF CARDHOLDER
- CHANGES IN CARDHOLDER INFORMATION

USPFO-NM PAM 715-13-1 CHAPTER 1

RESPONSIBILITIES

- ***USPFO-NM Appointing Authority***
- ***CHIEF OF CONTRACTING Agency Program Coordinator***
- ***COMPTROLLER Designated Billing Office***
- ***Billing OFFICIAL Approve purchases/Certify pmt***
- ***CARDHOLDER Buyer***
- ***USBANK Bank***

USPFO-NM PAM 715-13-1 CHAPTER 2

- ADMINISTRATIVE CONDITIONS
  - FAR PART 13
- SPENDING LIMITATIONS
  - SINGLE PURCHASE LIMIT
  - MONTHLY PURCHASE LIMIT
- ITEM/SERVICE LIMITATIONS

USPFO-NM PAM 715-13-1 CHAPTER 3

- **ADMINISTRATIVE PROCEDURES**
  - **FAR 13**
  - **MERCHANTS**
  - **TELEPHONE ORDERS**
  - **NM GROSS RECEIPTS TAX**
  - **PURCHASE LIMITATIONS**
  - **PRICE IS FAIR & REASONABLE**
  - **NO BACKORDERING**

USPFO-NM PAM 715-13-1 CHAPTER 3

- ***ADMINISTRATIVE (CONT'D)***
  - ***PURCHASE DISTRIBUTION***
  - ***GOVERNMENT'S MINIMUM NEED***
  - ***GRATUITIES***
  - ***NATIONAL GUARD MEMBER***

USPFO-NM PAM 715-13-1 CHAPTER 3

- PROCEDURES AFTER PURCHASE
  - STATEMENT OF ACCOUNT
  - BILLING ERRORS, DISPUTES, DEFECTIVE ITEMS
- REVERSAL OF CHARGES

STANDARDS OF CONDUCT PROCUREMENT INTEGRITY

- ***DOD REG 5500.7-R***
  - ***CHAPTER 2 & ANNEX D***
    - ***UNAUTHORIZED COMMITMENTS***
    - ***PRIVATE GAIN***
    - ***GRATUITIES***
    - ***PREFERENTIAL TREATMENT***
    - ***EMPLOYMENT***
    - ***CONFLICTS OF INTEREST***

STANDARDS OF CONDUCT PROCUREMENT INTEGRITY

- ***USE COMMON SENSE***
- ***IF IT IS QUESTIONABLE, THEN IT PROBABLY IS WRONG***
- ***WHEN IN DOUBT, ASK!***
- ***USE THE CARD FOR ITS INTENDED PURPOSE, NOT FOR PERSONAL USE***

FAR Part 8.001 required sources of supplies

- *- Agency inventories, Supply Channels*
  - *USPFO warehouse 505-474-1628*
- *- GSA Stock Program*
  - *www.fss.gsa.gov 800-525-8027*
- *- Federal Prison Industries Inc.*
  - *UNICOR www.unicor.gov 800-827-3168*
  - *State Corrections*

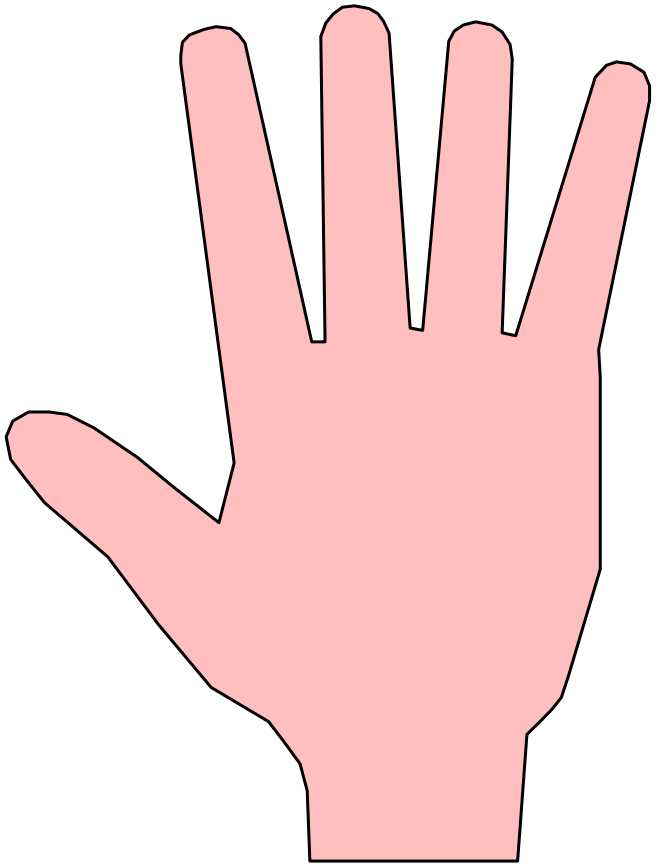
FAR Part 8.001 required sources of supplies (cont)

4. - Committee for purchase from people who are blind or severely disabled
   - Javits-Wagner-O'Day www.jwod.gov
5. - GSA excess supplies
   - www.fss.gsa.gov/property.html
   - Mandatory GSA Supply Schedules
     - http://pub.fss.gsa.gov/sched/index.html
     - 888-fss-0070
   - Commercial sources

Rules of Obligation

- *TIME*
  - *CURRENT FY*
- *PURPOSE*
  - *BONAFIDE NEED*
- *AMOUNT*
  - *AVAILABLE FUNDS*

Questions



Cardholder Documentation

- *ORDERING OFFICER APPOINTMENT MEMO and STATEMENT on JOUNT ETHICS - Date top of each page - Complete para. 1. b. - Sign and date - Keep a copy*
- *PROCUREMENT INTEGRITY - Sign & date - Keep a copy*
- *PRIVACY ACT NOTICE - name and SS#*
- *CARDHOLDER SET-UP FORM - Fill in as instructed in class*